

# **Child and Adult Care Food Program (CACFP)**

## **Annual Budget Instructions for Sponsors of Centers**

- A. Audit** – If the agency received and spent over \$500,000 in federal financial assistance in the prior fiscal year an A133 audit is required. Indicate the date of the last financial audit and the firm doing the audit. If the agency did not receive and expend over \$500,000 in federal financial assistance, the agency is exempt from audit. Mark the appropriate box and complete this section if an audit is required. The Child and Adult Care Food Program may provide some audit reimbursement for the child nutrition portion of an audit pending availability of federal funds. This request for reimbursement may be made to Child and Adult Nutrition Services **prior** to the audit. Prior agreement to the cost will be necessary.
- B. Annual Budget** – This section must be completed by all sponsors of centers.
- 1. Administrative Use of Funds** – All sponsors of centers must answer this question. If “no” you may mark the box and move to the next question. If yes, you must describe the administrative costs that will be covered using CACFP reimbursement. Be as specific as possible.
  - 2. Administrative Cap** – You may not use more than 15% of your reimbursement towards the administrative costs that are involved in the operation of the CACFP. If your administrative costs exceed 15% of the reimbursement that you receive from the CACFP then you must use other sources of income to pay those administrative costs.
  - 3. Multi-Purpose Organizations** – All sponsors of centers must answer this question. If “no” you may mark the box and move to the next question. If yes, you must describe in detail the way the agency will break down the costs and charge the costs to the specific programs. You may contact our office if you need assistance with what you are required to report on this page.
  - 4. Anticipated Reimbursement Worksheet** – This worksheet is a means of determining the approximate amount of reimbursement (CACFP funds) that will be received. Complete the worksheet using approximate average daily participation (ADP) for each meal (according to the estimated number of free, reduced and paid participants participating). Include all sites. Take that number (ADP) times the actual number of serving days (as provided in Part 1 Combined Application – Section F – Site Summary). This will give you the number of meals per year. Take the number of meals times the current rates of reimbursement to get the amount of reimbursement for that meal type according to the eligibility categories. Current rates of reimbursement are updated each year in July and are available on the new claim forms or upon request from the state agency. The reimbursement column should be added for each meal type. The totals from each meal type should be added together to determine the total anticipated CACFP meal reimbursement.
  - 5. Budget Expenditure Worksheet** – Complete the budget worksheet to document the expenses that will be paid using CACFP funds. Once the agency has documented that all CACFP reimbursement is spent on CACFP expenses a nonprofit food service operation has been documented and the budget is considered complete. Should the local agency need to make any changes (during the year) to the approved budget, the local agency should make those changes, highlight the changes, and submit a highlighted copy to the CANS office with a cover letter explaining the need for the amendments. The CANS office must approve all amendments to the budget.
- A. Food for the CACFP** – Determine or estimate the average monthly cost of food and multiply by 12 months. Include food expenditures for all sites. STOP here if this equals or exceeds the Anticipated Reimbursement.

- B. Non-food for the CACFP** – Non-food includes napkins, dishwashing detergent, disposable plates, cups, or utensils, etc., used for food service. Estimate the cost for the budget period as above. STOP here if the cost of food plus the cost of non-food equals or exceeds the Anticipated Reimbursement.

The following expenditures may be approved, if appropriate, for the local agency. **Include these expenses only if the Anticipated Reimbursement has not been allocated.** You do not need to complete all lines on the budget form. As noted on the budget form some items require prior approval or specific prior written approval from the Child and Adult Nutrition Services (CANS) office. The local agency budget will be limited in that no more than 15% of total reimbursement may be spent on administrative expenses.

- C. Salaries** – Prorate any salaries charged to the CACFP based on time and task logs. Fringe benefits include employer's matching portion of FICA, unemployment, worker's compensation, insurance, etc.
- D. Office Costs** – Prorate the portion of the office costs applicable to the CACFP. Document the method for prorating all application office costs included in the budget. Attach separate documentation as needed. Rental costs, office equipment purchases or leases, and computer purchases must be approved in advance and the State agency must provide the local agency with specific prior written approval for the cost of the item being charged to the CACFP.
- E. Utilities** – Prorate the portion of the utility costs applicable to the CACFP. Document the method of prorating all utilities costs included in the budget. Attach separate documentation as needed.
- F. Equipment for Food Service** – Equipment includes expenditures for repairs to existing food service equipment, equipment replacement, or additions.
- G. Contractual Services** – Prorate to determine the portion of the contractual service costs applicable to the CACFP. Document the method of prorating for all applicable costs included in the budget. Attach separate documentation as needed. Contracts of this sort must be approved in advance and the State agency must provide the local agency with specific prior written approval for the cost of the item being charged to the CACFP.
- H. Travel** – Determine or estimate the costs involved for travel to attend training, to conduct monitoring reviews, etc for the CACFP. Indicate the cents per mile for mileage costs. Travel expenses require prior approval from the State agency. If the agency wishes to use CACFP funds to pay for any part of the costs involved in a workshop that is not solely for the purpose of the CACFP the State agency must provide the local agency with specific prior written approval for the cost of the item being charged to the CACFP.
- I. Other** – Specify any other costs directly attributable to the food service program. Attach written justification for the cost.

Add all of the amounts in rows A-I to come up with the total expenditures that will be paid using CACFP reimbursement.

- C. Local Agency Signatures** – Complete and sign the last page of the document.